VZCZCXRO3398 OO RUEHBI DE RUEHLM #0181 0311027 ZNR UUUUU ZZH O 311027Z JAN 07 FM AMEMBASSY COLOMBO TO RHHMUNA/HQ USPACOM HONOLULU HI IMMEDIATE RUEKJCS/SECDEF WASHDC IMMEDIATE RUEHC/SECSTATE WASHDC IMMEDIATE 5280 INFO RUEHKA/AMEMBASSY DHAKA PRIORITY 9853 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 6795 RUEHKT/AMEMBASSY KATHMANDU PRIORITY 4863 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0564 RUEHCG/AMCONSUL CHENNAI PRIORITY 7362 RUEHBI/AMCONSUL MUMBAI PRIORITY 5096 RUEKJCS/JOINT STAFF WASHDC PRIORITY

UNCLAS COLOMBO 000181

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DEPARTMENT FOR SCA/INS, SCA/RA AND PM/PPA

E.O. 12958: N/A

TAGS: MARR PREL MOPS CE

SUBJECT: SRI LANKA TO SIGN ACQUISITION AND CROSS SERVICING

AGREEMENT (ACSA)

REF: A. COLOMBO 0112 \*B. 06 STATE 3112

- 11. On December 7, 2006, Ambassador and Office of Defense Cooperation (ODC) Chief met with Sri Lankan Defense Secretary Gothabaya Rajapaksa to provide background information (see para 4) on a Acquisition and Cross Servicing Agreement (ACSA) and a the draft ACSA proposed for signature. See paragraph 5 for background on the ACSA Agreement.
- 12. On January 25, 2007, Secretary Rajapaksa provided concurrence to ODC Chief on the proposed agreement. Secretary Rajapaksa stated that he was ready to sign the

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agreement at anytime convenient to the U.S. PACOM J42 is the lead organization and will coordinate with Embassy ODC to facilitate the signing at a mutually agreed upon time.

## Risk of Misunderstanding

- 13. The USG faces some risk that the Government of Sri Lanka might seek to exploit the signing to convey the USG's support for possible ongoing offensive military operations. Embassy therefore recommends the Ambassador sign the agreement in a low-key ceremony with Secretary Rajapaksa in late February. The Sri Lankan military is presently engaged in mop-up operations against the LTTE in eastern Sri Lanka. However, the Defense Secretary and other military leaders have hinted they are considering further offensive military operations in northern Sri Lanka. The USG has informed the GSL that we oppose large scale offensive military operations because we believe the Government should focus on developing a power-sharing proposal that can form the basis for peace negotiations with the LTTE. We recommend holding off on the signing ceremony until late February when we will have a clearer idea of the Sri Lankan military's intentions. We also do not wish to detract attention from the Sri Lankan Commission of Inquiry (on human rights) and the work of the International Independent Group of Expert Persons who will arrive in Sri Lanka the second week of February to observe the work of the Commission.
- ¶4. Since the ACSA benefits U.S. forces transiting through the region, and since the GSL might leak news of the signing, the Embassy proposes to have the Ambassador sign the ACSA with the Defense Secretary with a select number of

photographers and no statements. The Embassy will then issue a press release following the ceremony explaining the purpose of the ACSA.

## Background on ACSA

15. Background (as provided to Sri Lankan government): The Acquisition and Cross Servicing Agreement (ACSA) as authorized by Congress and approved by the Office of the Secretary of Defense (OSD) is an agreement between the

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Department of Defense and Sri Lanka Ministry of Defense. This agreement facilitates reciprocal logistic support during combined exercises, training, deployments, operations, or other cooperative efforts, and assists in contingencies in which Sri Lanka or the United States may have a need of logistic support, supplies, and services. The ACSA is not a treaty and does not guarantee support will be provided. Rather, it is a streamlined process in accordance with U.S. law to provide and receive logistical support without the lengthy Foreign Military Sales process to which both parties must agree before any transaction can occur. The transaction can be in the form of cash exchange, assistance-in-kind, or even value exchange.

**BLAKE**